MARKETWATCH

Filene's Basement Sold in LBO

TORONTO — Filene's Basement, the off-price apparel chain based in Wellesley, Mass., will be sold by Campeau Corp. to an investment group led by the off-pricer's management, including Samuel Gerson, chairman of Filene's Basement, and Mone Anathan 3d, president, along with Greylock Investment Co., Oak Investment Partners and J.H. Whitney. Terms of the leveraged buyout were not disclosed, nor were the chain's 1987 profits. The 22-unit Basement had 1987 sales of $278 million, up about 12 percent from the year before's $248 million. Campeau, which acquired the Basement's parent, Federated Department Stores, in April, also intends to sell Federated's MainStreet, The Children's Place and Gold Circle divisions.

Tuesday Morning Eyes Restructuring

DALLAS — Closeouter Tuesday Morning hired Alex. Brown & Sons, an investment banking firm, to advise it on "strategic alternatives to maximize shareholder's value." The options include a possible sale or merger of the 93-unit chain; buying another business; a buy-back of the $73 million retailer's stock, or a leveraged buyout by investors that could include current senior management.

Best Products Expands Best Jewelry Arm

RICHMOND, Va. — Best Products has expanded its Best Jewelry specialty store operation—already in 10 states and the District of Columbia—to California by opening 2,000-square-foot units in the Del Amo Fashion Center in Torrance and in the Northgate Mall in San Rafael. Similar stores are already set to open this summer in the Santa Rosa Plaza, Santa Rosa, The Mall of Victor Valley, Victorville, and Cental Coast Plaza, San Luis Obispo, with other California sites under consideration. The cataloger has also opened a unit in Virginia Beach, Va., and all told, plans to open about 15 Best Jewelry stores this year and 20 to 30 more in 1989.

Grand Auto OKs Sale to PACCAR

OAKLAND, Calif. — As expected, stockholders of Grand Auto have approved its acquisition, effective June 1 by PACCAR, a Seattle-based maker of heavy trucks. Dave Fitterer, vice president and general manager of PACCAR's automotive group, is now sitting in Oakland to oversee operations of the 107 Grand Auto Stores. In addition to Grand, PACCAR has acquired Al's Auto Parts, a 25-store chain in the Seattle area.

In-store Promo Costs to Hit $100B by 1990

OSLO, Norway — Retailers and suppliers will be spending more than $100 billion annually by the end of the decade for in-store promotions, interactive selling machines and other targeted marketing communications, according to L. Randy Rile, president of The Howard Marlboro Group, a marketing and promotional organization. The reason for this is that the American retailing scene is now composed of "dozens of identifiable and viable economic subgroups, setting up a highly fractionated marketing environent" that can best be reached by specific promotions and merchandising/displays, he told the annual seminar of The Norges Kooperative Landsforening, a Norwegian marketing organization.

TSS-Seedman's Reopens After Fire

HEMPSTEAD, N.Y. — Less than eight weeks after a fire halted business at the TSS-Seedman's store here, the unit reopened to customers on June 9. Company chairman Julius Kasinitz said the renovations were done in record time due to the hard work of local public officials, company employees and vendors. The April 18 fire slightly damaged the store's structure and damaged 95 percent of the inventory. The fire was ruled arson by local fire investigators. No one has been apprehended, said Kasinitz.

Office Depot Goes Public

BOCA RATON, Fla. — On June 1, Office Depot became the first office products megastore to be a publicly held company. The stock, traded over-the-counter under the ticker symbol ODEP, was priced by Merrill Lynch, lead underwriter, at $10. But within days of the issue, the stock price rose 30 percent to 13¾ points.

Office Square to Debut 1st Chicago Unit

PALATINE, Ill. — Office Square, K mart's new office megastore concept, will open its first store in this Chicago suburb this summer. Located in Park Place Center at Dundee and Rand Roads, the 25,000-square-foot warehouse-style megastore will be the second such retailer to open in the Windy City. Office World opened in suburban Chicago in April. Plans are currently underway for a second Office Square in this market.

Costco Issues Member Credit Card; Move Doesn't Entail Higher Prices

KIRKLAND, Wash. — Costco has joined the ranks of wholesale clubs offering members a charge card.

The 44-store membership warehouse chain at presstime is due to complete rolling out its proprietary charge card in its East and West Coast markets after launching the Costco Preferred Member Card in March in the 12-unit Pacific Northwest region.

The membership warehouse views the card as a service enhancement to business members who account for 70 percent of Costco's sales, making it easier and more convenient for them to shop. Business members will get one monthly bill listing their Costco purchases and won't have to carry large amounts of cash or write a check each time they visit a club.

Costco president Jim Sinegal said the card wouldn't cause the wholesale club to raise its prices as the company isn't being charged a merchant's fee on charge sales.

"We made a very attractive two-year deal with Seattle First National Bank. They aren't charging Costco any fee [which can range between 1½ percent to 4 percent of a credit sale] as they want to establish a relationship with our members," he said.

If Seafirst wants to change the agreement "and force us into a position where price increases were called for, we would simply discontinue the credit program," he said.

The card costs members $15—which goes to the bank, not Costco—carries a 16 percent interest charge and has a 25-day grace period in which to pay a charge fee.

Based on a member's billing cycle, the interest-free period could be as much as 40 days.

The $15 fee will be waived for the first year for members who sign up for the card before the end of 1988. They won't pay the fee until they renew their membership in 1989.

All of Costco's wholesale primary and secondary members as well as Gold Card group members are eligible for the card. Signing up for the charge account is voluntary, but members who get a Preferred Card would show this card, rather then their regular Costco card to establish their membership status.

Costco expects about 25 percent to 30 percent of its business members to sign up for the card. In its initial mailing of applications, Sinegal said the bank reported the response for cards was about five times higher than normal.

"We don't have any idea what effect the card will have on our sales. I don't see any increased consumer volume, although some of these members will likely sign up for the card," he said.

Seafirst provided Costco with the machines that read the card, along with the program that enables a club's register to capture a charge sale.

CVN Offers Its Own Credit Card

Adds Warranty Inducement

MINNEAPOLIS — Cable Value Network, in a test program, has become the latest teleshopper to offer its own credit card to customers while continuing to accept the usual bank and entertainment charge cards.

Like a traditional department store credit card, the proprietary CVN Convenience Card is a no-fee, revolving charge account that requires a minimum monthly payment, either 10 percent of the balance or $20, whichever amount is greater.

As an added user inducement, CVN automatically doubles the manufacturers' warranties on products purchased with the CVN card.

CVN's credit plan and warranty program differs from the first such benefits provided by video retailers. QVC was the first teleshopper to offer a credit card, while TelShop was the first to provide a warranty plan.

Theodore Deikel, CVN Cos. chairman and chief executive officer, said CVN's "extensive research . . . found that when viewers were given the opportunity to buy with monthly payments, CVN experienced dramatic increases in total sales, new customers and sales per customer."

CVN is offering its card to selective consumers such as customers who have made multiple purchases or cable viewers who aren't shoppers but qualify for another line of credit. The amount available to shoppers varies, with $2,000 the ceiling.

General Electric Commercial Credit Corp. is providing the financial underwriting for the card as well as administering the program, with CVN, in the end, backing the card with its own receivables. GECC has to approve each credit application.

Deikel said almost all major retailers offer their own credit program because a proprietary card "establishes a more

(Continued on page 4)

Wal-Mart Leads Fortune Retailers

NEW YORK — Wal-Mart proved to be the star performer among the 50 retailers on the 1988 *Fortune* 500 list of top service companies.

In sales, Wal-Mart moved up to No. 5 from No. 7 among retailers, logging sales of $15.96 billion. In total profits, Wal-Mart ranked third, behind retailing leader Sears, Roebuck & Co., No. 1; and K mart, which was No. 2.

In profits as a percentage of sales, Wal-Mart also ranked No. 3; beating K mart, No. 21; and Sears, No. 32; *Fortune* reported.

Among discounters, Toys "R" Us recorded the best profit margin on sales, 6.5 percent, which ranked it No. 4 among all 50 retailers.

The champ in profit on sales, though was McDonald's, 12.2 percent. Although the hamburger chain ranked No. 21 in sales it came in No. 5 in total profits.

In annual growth rate earnings per share, Wal-Mart came in first, with a 37 percent gain to $1.11 per share from 79 cents in 1986.

In other discounter sales rankings, Target parent Dayton Hudson moved up to No. 9 from No. 11; Caldor and Venture parent May Department Stores held steady at No. 10; Zayre moved up one notch to No. 17; Bradlees parent Stop & Shop Cos., moved up one position to the No. 24 spot.

Losers in the rankings were Service Merchandise, which fell to No. 35 from 31, and another cataloger, Best Products, which fell to 45 from 38. Ames slipped to 44 from 43.

Hills Department made the list at No. 50. Hills wasn't on *Fortune*'s 500 Service list for 1986.

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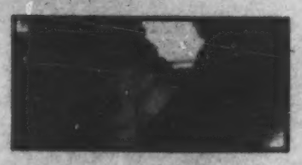

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Teleshoppers: Look Forward to Slimmer Industry

By Peter Hisey

BOSTON — Teleshopping's boom-and-bust cycle will eventually settle down, leaving two, perhaps three, survivors to carve up the lucrative $2 billion market, a panel of home shopping executives said.

Speaking at the recent Electronic Shopping '88 conference sponsored by Touche Ross, the accounting and consulting firm, the panelists said that the eventual winners will include an upmarket and a downmarket service, with the possibility of a specialty or strong regional operation remaining.

The survivors will share several qualities, noted Bruce Sellers of QVC, an upscale service whose merchandise offering includes goods from Sears, Roebuck. They will be live, 24-hour-a-day, fully dedicated (handling shipping and stocking) and appeal to shoppers and non-shoppers alike. "We have to have high entertainment value, or we won't hold our viewers," he said.

Michael Rosen of Shop Television Network, another upscale service, concurred. "Most revenues so far come from the very heavy TV watcher," he said. "We have to reach the selective TV watcher to see any real growth." And the selective TV watcher will want to be entertained, he suggested.

Home shopping networks will face a shakeout, and soon, for a variety of reasons. First, the average viewer really doesn't need more than two shows. Second, the industry's economics favor national services that will drive out smaller teleshoppers that are broadcast on a limited number of cable and/or commercial TV channels.

Also, there are limited channels available on most cable systems, and retailers will have to fight with existing entertainment networks as well as a host of new services (like Ted Turner's Turner Network Television and a new NBC business and sports news network) for space on local systems. More channels are becoming available, but cable operators are looking for more entertainment vehicles, not more shopping shows.

Therefore, panelists said, look for a spate of acquisitions and mergers in the near future as established systems jockey for a national posture and dominant presence on cable systems across the country. "It's going to be very tough for someone to get into this business," one panelist said.

Not that they don't expect more to try. Touche Ross projects that the passive TV home shopping segment of the electronic retailing industry will grow significantly, to about $5 billion by 1992. The company noted, however, that the growth will benefit primarily two or three leading players.

Interactive home shopping, another electronic retailing segment, will increase to over $3 billion by 1992, the company said. Once again, a handful of national players will grab the lion's share of revenues.

"1988 will provide the introduction of interactive home shopping services to a number of regions, providing the basis for nationwide services," said Doug Hosking, national director of Touche Ross' electronic shopping consulting group.

Representatives from two of the major interactive shopping services were on hand at the conference. Harry Smith of Prodigy, a computer home shopping service, and Stuart MacIn-

(Continued on page 34)

Selling Kiosks: Mixed Reviews

BOSTON — Selling machines received a mixed review at the Electronic Shopping '88 conference.

A number of the conference's sessions were devoted to retailers reporting on their experience with in-store, interactive laser videodisc terminals, so-called selling machines, as sales promotion devices.

At a luncheon address, Bill McDonald of California's Broadway Department Stores noted that while "[this] technology is in our future," it hasn't done much yet.

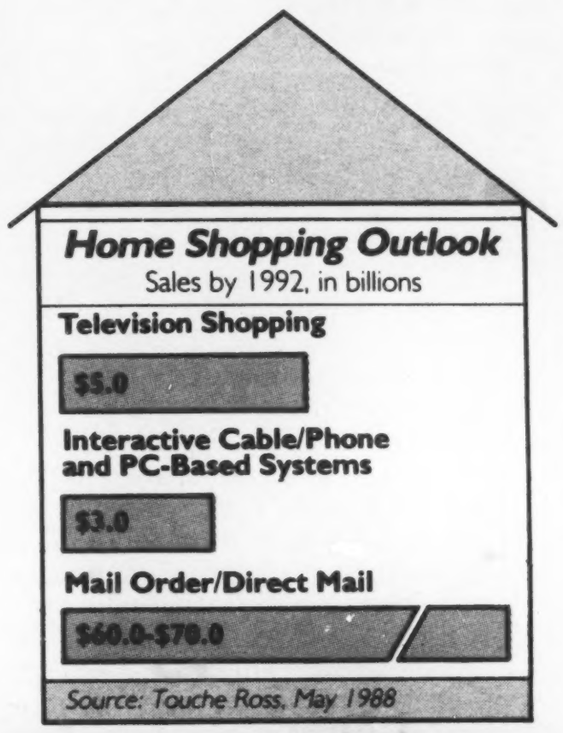
He was referring mainly to a three-month test of Levi Strauss' JeansScreen, an interactive kiosk developed by ByVideo that allows customers to view a wide selection of Levi products, then order directly from Levi and receive the products at home.

Because of the vagaries of the department store business, however, MacDonald considered the test, which took place last fall, at best a very limited success.

Kiosks were installed in seven San Diego-area stores, and were designed to be saleshelp assisted (customers would have to place actual orders through salespeople, mainly because of Broadway's commission package). At first, Broadway advertised the availability of the JeansScreen, which it found was not worth the time and money. "People will not come in just to see or use the machine," MacDonald said.

More disturbing was the number of people who used the machine. Less than half ever touched it, and of those, less than 3 percent ever bought anything.

(Continued on page 34)



Housewares Sought by Wealthy at Discounters

DUBLIN, Ohio — When the nation's wealthier consumers set out to purchase their housewares and small appliances, they head for discounters, according to a consumer focus series on the "Up Market" conducted by Management Horizons, the retail consulting firm based here.

Discounters also enjoy a great measure of success selling these customers non-electronic toys and games, infants', boys' and girls' apparel, children's shoes, and domestics.

But, "Up Market" consumers bypass discount stores when purchasing women's and men's dress apparel, shoes, fine jewelry and furniture, the survey revealed.

Men's and women's casual apparel, home furnishings, electronics/home entertainment and tableware are generally purchased at a variety of retail outlets, with discount stores garnering only a small portion of the sales of these product types.

The survey included responses from 5,000 consumers nationwide. This fall, a similar sampling will be undertaken to examine such retailing formats as hypermarkets and TV home shopping, said Many Putnam, manager of the consumer focus series in the retail intelligence system of Management Horizons.

In the forthcoming survey, Putnam said consumers will be asked to indicate how they shop different types retail formats.

Management Horizons identifies the "Up Market" as including persons or families with annual incomes in the upper 25 percent of the American population.

The "Up Market" population is divided into six segments:

- Younger singles, who are under 45 and earn $32,500 and over;
- Younger couples, who are under 45, with no children and an income of $45,000 and up;
- Younger parents, under 45, with children, and an income exceeding $37,500;
- Mid-life families, where the household head is between 45 and 64 years old, with de-

(Continued on page 13)

Where Upscale Consumers Shop for Selected Household Goods

Discount stores attract the highest percentage of upscale customers to their housewares, small appliances, toys and domestics selections.

Percent of Up Market shoppers who purchase these products:

Type of Store	Housewares	Small Appliances	Toys/Games*	Domestics
Discount Store	49.8%	35.5%	31.8%	22.4%
National Chain	6.3	11.8	4.9	19.4
Department Store	13.8	14.9	3.8	31.9
Catalog Showroom	2.0	18.0	4.5	2.3
Specialty Store	6.0	7.1	44.3	5.5
Off-Pricer	5.6	3.4	2.0	12.3

* Non-electronic

Source: Management Horizons, The Up Market

Mars Stores Restructures; Predicts Rebound Ahead

NORTH DIGHTON, Mass. — A recently completed companywide restructuring program may position Mars Stores, based here, on better financial ground to turn a profit and expand, said president Paul Kwasnick.

Already, first quarter results are "encouraging," Kwasnick said, although a net loss is anticipated.

Mars Stores posted a sales and earnings decline in 1987. Last year, the discounter liquidated its Big Value Outlet division and closed one of its two existing Gaynes department stores, the biggest sources of its earnings decline. The chain also closed three Mars stores.

Kwasnick told *DSN* during the International Mass Retail Association's convention in Nashville, Tennessee, last month that he was confident the company's restructuring will enable it to post positive earnings this year and position the company for future growth.

Mars listed restructuring costs of $2,306,000 and a loss due to the disposal of Big Value Outlet of $591,000.

The company's restructuring program included the liq-

(Continued on page 13)

Glass: Wal-Mart Will Surpass $20B

By Jacalyn Carfagno
Special to DSN

FAYETTEVILLE, Ark. — David Glass, addressing Wal-Mart Stores' shareholders for the first time as the company's chief executive officer, promised "the best is ahead of us, not behind us."

Since founder and chairman Sam Walton tapped Glass earlier this year to take over a job he'd kept for himself since the firm's inception, Glass has had to address the question of whether Wal-Mart can continue the phenomenal growth that will push it to over $20 billion in sales this year.

Talented, dedicated employees and a strong financial base, Glass said, have positioned Wal-Mart to "perpetuate forever going forward."

Glass told a crowd of 7,000 that gathered June 3 in the University of Arkansas basketball arena here, the growth could only come if the company remains aggressive.

Glass spelled out the Wal-Mart philosophy that has allowed the company to expand from one store in 1962 to 1,144 Wal-Marts, 86 Sam's Wholesale clubs and 14 dot Discount Drug stores today. "We are really agents for our customers," Glass said. Although Wal-Mart prides itself on offering the lowest prices "that's not enough," Glass warned, "we need to give the best value. The bitterness of poor quality lasts long after the sweetness of low price is gone," Glass said.

Wal-Mart plans to add 125 to 135 new stores this year, 20 Sam's Wholesale clubs and another hypermarket. Sales in the year ended Jan. 31 were $15.96 billion yielding $627.6 million in profits.

For the first quarter, ended April 30, sales increased 33 percent over the previous year to $4.28 billion.

But the facts and figures, weren't the main attraction at the extravaganza. Walton may have given up the job of ceo but he's a long way from giving up the microphone. When cfo Paul Carter said Wal-Mart is seeking over $20 billion in sales this year, Walton was on his feet in a flash. "Can we do $21 [billion]?" he challenged the associates.

"YES WE CAN!," they chanted back to the chairman.

The Up Market Seeks Discounters For Housewares, Small Appliances

(Continued from page 3)
pendent children, and an income over $50,000;

- Mid-life households, where the head of the household is between 45 and 64, with no dependent children, and an income over $45,000;
- Old households, which have a head of household 65 or older or retired and an income of $22,500 and over.

Demographically, these consumers are more likely than other groups to be married; in dual-income families; employed full time; and hold professional occupations.

Not surprisingly, these consumers are also more likely to frequent department and specialty shops. But they also show a consistent preference for off-price outlets, according to the survey.

Up Market consumers shop at off-price stores for women's casual apparel more than the group identified as "all others," or everyone other than up market consumers.

The same is true for men's casual apparel and boys' and girls' clothing, housewares, and domestics.

The survey asked consumers where they shop for 23 merchandise categories.

In this survey, discounters were generally listed as the third choice among upscale consumers after department stores and national chain department stores.

Up Market consumers listed discounters as either the first or second preferred place to shop in eight merchandise categories. These include: children's shoes, housewares, domestics, small appliances, electronics/home entertainment, sporting goods, costume jewelry, and non-electric toys and games.

Among other types of consumers, discounters fared better, coming in first or second in 15 merchandise categories: infants' apparel, women's casual apparel, men's casual apparel, boys' and girls' apparel, children's shoes, housewares, home furnishings, domestics, small appliances, tableware, sporting goods, cosmetics/fragrances, costume jewelry, and non-electric toys and games.

Mars Realigns; Seeks Improved Profits, Growth

(Continued from page 3)
uidation of Big Value, the closing of the Gaynes store and the integration of the remaining Gaynes unit into the Mars operation, in addition to the closing of the three Mars stores and the sale of its apparel department to the Masters organization, which will operate apparel as a leased department in Mars Stores.

Mars is now an 18-unit discount retailer operating in New England with projected annual sales of $100 million.

Last year, Mars reported a net loss of $7,231,021, or $3.30 a share, on sales of $106,987,000 for the fiscal year ended Jan. 30, 1988. Sales for the year were down 6.5 percent, or $106,987,042 from 1986.

These results put Mars in default under its credit agreement. But the discounter won waivers from its banks and for the balance of the year will be working under revised financial covenants which it is required to meet. The changes were based on Mars' projected operating results and an anticipated first quarter loss, according to a statement issued by Mars.

In prepared comments released by Mars, Kwasnick noted that the company is reducing inventories to free up working capital, de-emphasizing certain, highly-competitive, low-margin departments and focusing on home furnishings and housewares.

Despite the high cost of restructuring the company, Mars reported that at year-end it had approximately $4 million in equity, a sum it feels is sufficient to support operations.

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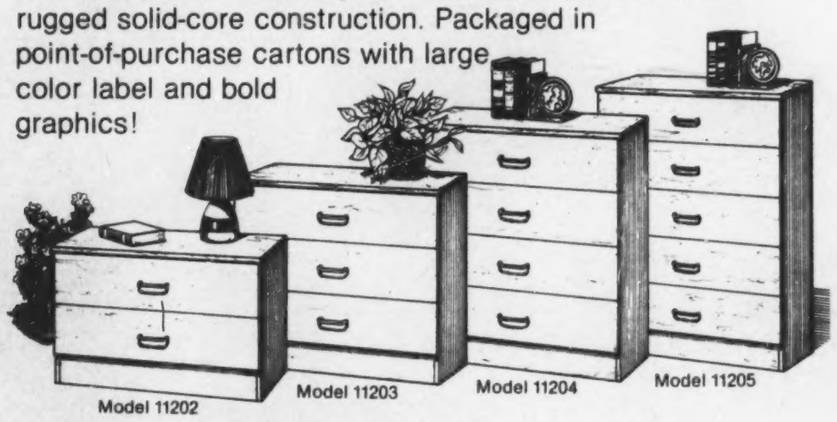

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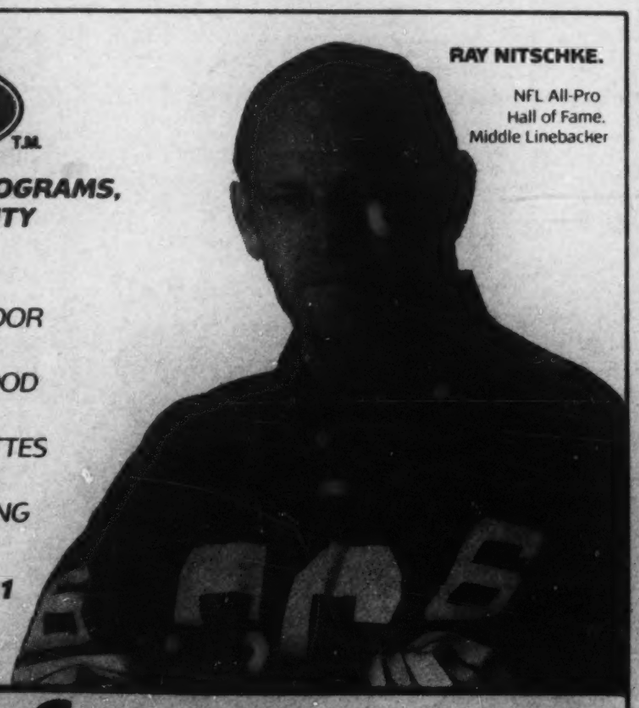

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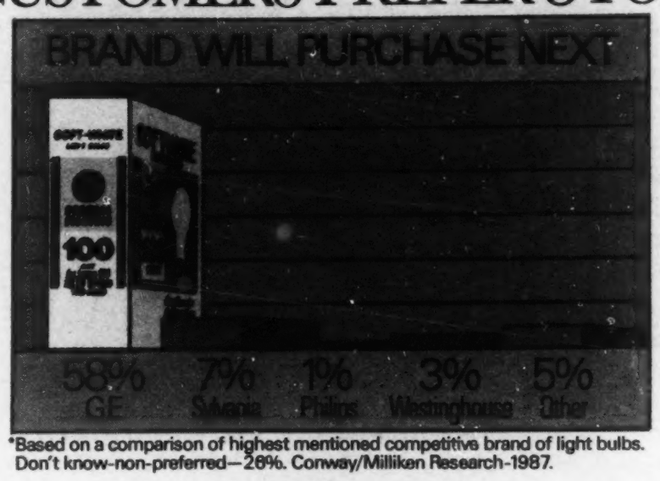

*Based on a comparison of highest mentioned competitive brand of light bulbs. Don't know-non-preferred—26%. Conway/Milliken Research-1987.

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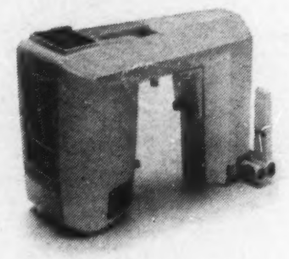

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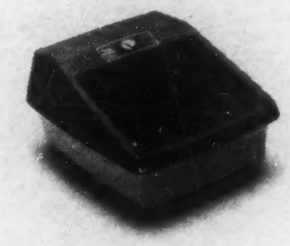

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ShopKo to Debut Two Midwestern Hypermarkets Next Year

(Continued from page 1)
chandise mix while sourcing food from its parent Super Valu Stores. Super Valu, a diversified food wholesaler, already supplies groceries to Biggs, along with owning 10 percent of the 4-year-old Cincinnati hypermarket venture.

The discounter, which set up a separate division to operate Twin Valu, disclosed its hypermarket plans in zoning hearings before the planning board of the two cities. It was represented by Hal Reisenfeld & Co., a Cleveland real estate broker that helped in the site selection.

At 180,000 square feet, Twin Valu will be smaller than the 200,000-square-feet-plus hypermarkets run by Hypermart USA, Biggs or Carrefour. It won't include a number of the specialty stores found in these hypermarkets, but will feature a full-service, in-store bakery, fresh meat and fresh fish departments and a pharmacy and drug store.

However, Twin Valu will use an upscale presentation similar to that of Biggs and Carrefour, rather than the warehouse-type fixturing found in Hypermart USA. The Twin Valu already under construction in Cuyahoga Falls will be adjacent to two shopping centers and near a Zayre.

Twin Valu will be ShopKo's first venture into Ohio. Its discount stores are in 11 upper Midwest and Pacific Northwest states ranging from Michigan, west to Washington state, and south to Nevada and Utah.

CES: Personal Video, DAT, WPs

(Continued from page 1)
stir up some excitement at retail. Other hot products: a 3-D television from Toshiba, a "phone-home" VCR and compact VCR/television combos from Panasonic, a host of inexpensive personal word processors from Smith Corona and Panasonic, and miniature LCD color televisions from Sharp and Sony, both featuring vastly improved pictures.

On the floor, the biggest news involved Teac's announcement that it would break the DAT ice by importing a handful of $6,000 DAT recorders by early July. The record industry, through the RIAA, has threatened to sue the first company to bring the recorders to market.

Audio and video tape vendors who have not already raised prices probably will in the near future, in reaction to the falling dollar and decreasing profitability of the products at wholesale and retail. "Consumers understand that we have to make a fair profit [on videotape]," one vendor said. "We haven't been."

Although the show's organizers announced daily attendance figures in excess of 90,000, most retailers and many suppliers called traffic "light" and several hinted that the days of the summer CES days are numbered.

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Vol. 27, No. 13 June 20, 1988

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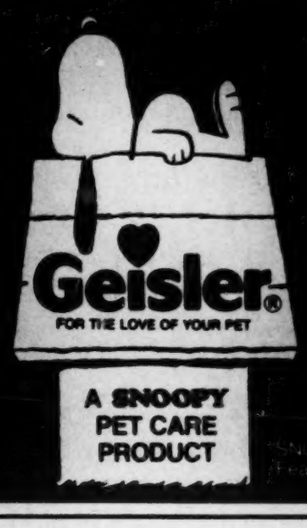

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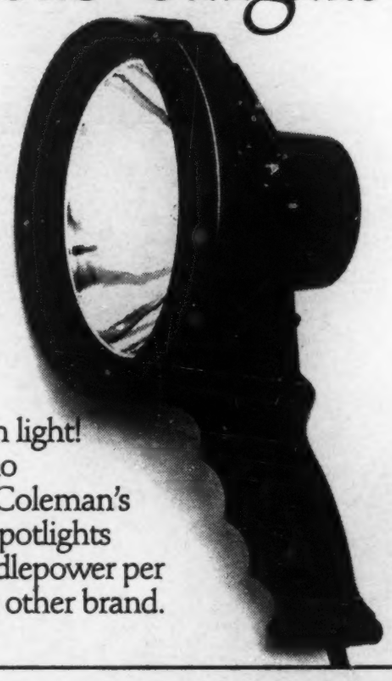

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Teleshopping Field Slimming Down

(Continued from page 3)

tire of Telaction, a cable-TV interactive shopping network, both predicted dramatic growth in the field.

GTE's Main Street interactive shopping system was notable by its absence. GTE has maintained a very low profile for its system, which is being tested just outside Boston in Newton and reportedly cosmetically resembles a slightly upscaled Telaction system. Some GTE representatives did attend the show, however, and ferried selected retailers to Newton for a quick demonstration at a GTE site.

Prodigy is now available in Atlanta, San Francisco and Hartford, Conn. The company is in the process of sending out a "blanket mailing" to PC owners in the three cities, offering the service (and six password/ID packages) for $9.95 a month.

Prodigy offers a host of services, including home shopping, a customized news and weather service, 15-minute-delayed stock quotes on selected (by the customer) stocks, and extensive advice "columns" written by national authorities on subjects ranging from home repair to personal finance to travel, sports and fitness. Prodigy plans to offer groceries, airline and tour information, with stockbroker services available in the near future.

Smith said the system has "several thousand" subscribers at present, with about 40,000 projected for year-end. He refused to release specific subscriber totals, saying he didn't want to get involved in a "numbers game."

MacIntire said that Telaction, which offers Chicago-area cable subscribers grocery and general merchandise selections, will expand into Canada in the near future.

During a live Telaction demonstration, MacIntire noted that the system would be adding significantly to its retailer base in the near future. "Retailers have to get in now. There is so much to learn, and retailers who commit early will have insight into and an inside track on subsequent developments," he said.

Sears Offers Transactional Kiosk

(Continued from page 1)

directly to the recipient.

Saunders disclosed Sear's Gift Sender plans at the Electronic Shopping '88 conference here. He also premiered the Sears Home Lighting Center, an interactive device that will be placed in several Sears hardware departments to effectively expand the average sku count in lighting hardware from 175 to 650.

Although the two devices look very much alike, there are significant differences. The Gift Sender is a fully-transactional device, displaying about 100 sku's of gift merchandise and allowing a customer to select, pay for, and ship a gift anywhere in the United States. The system will even allow for personal, hand-written notes and, if a full shipping address isn't known, will make sure it reaches its destination.

The Home Lighting Center, on the other hand, is basically a very sophisticated video catalog, rather than a true interactive terminal. The initial monitor display asks shoppers to select a specific type of indoor lighting by touching an appropriate picture. The kiosk then shows a variety of products, four at a time. If the customer wishes to find out more about any of them, he or she simply touches the appropriate picture, which produces a close-up photo, information, price and a catalog number. The customer then picks up a red service phone next to the kiosk to actually place the order.

The Gift Sender is used in the same way through the actual selection. However, customers may then pay for the merchandise by slipping any of four major credit cards (Visa, MasterCharge, American Express or Discover) into a slot. The kiosk will then ask for shipping and message information, which the customer enters through a keyboard beneath the monitor.

Sears installed the first Gift Sender in its Chicago corporate headquarters and in Allstate Insurance's headquarters in Northbrook, Ill. It plans to roll them out to other Sears stores, train stations, large office buildings and "other places you might find an ATM." All orders will be shipped within 24 hours, Saunders said.

According to Saunders, Sears sees this technology as the wave of the future. "One in 3 Americans now uses ATMs," Saunders said. "The potential is the same for electronic retailing. Consumers today have more money, but far less spare time, than in the past. As a supplement to traditional retailing, interactive kiosks fill a distinct need."

Saunders also noted that, to date, results from home shopping networks and services like Telaction and QVC have been encouraging. Sears is one of the retailers on Telaction, while it has an equity investment in QVC, which sells selected Sear's products.

Sears is also involved in two start-up home shopping operations, Prodigy, which is a computer service, and Main Street, which is an interactive cable TV service.

"QVC had $112.3 million in first year sales, a record for a start-up company," he said.

Kiosks: Mixed Outlook

(Continued from page 3)

However, most of those sales were in unusual sizes and colors, indicating that the 3 percent might well have been incremental sales. "We found that customers liked the machine; we couldn't even talk them into saying something negative," MacDonald said. The machine drew business from competitors, but most people were impressed with it as an information source.

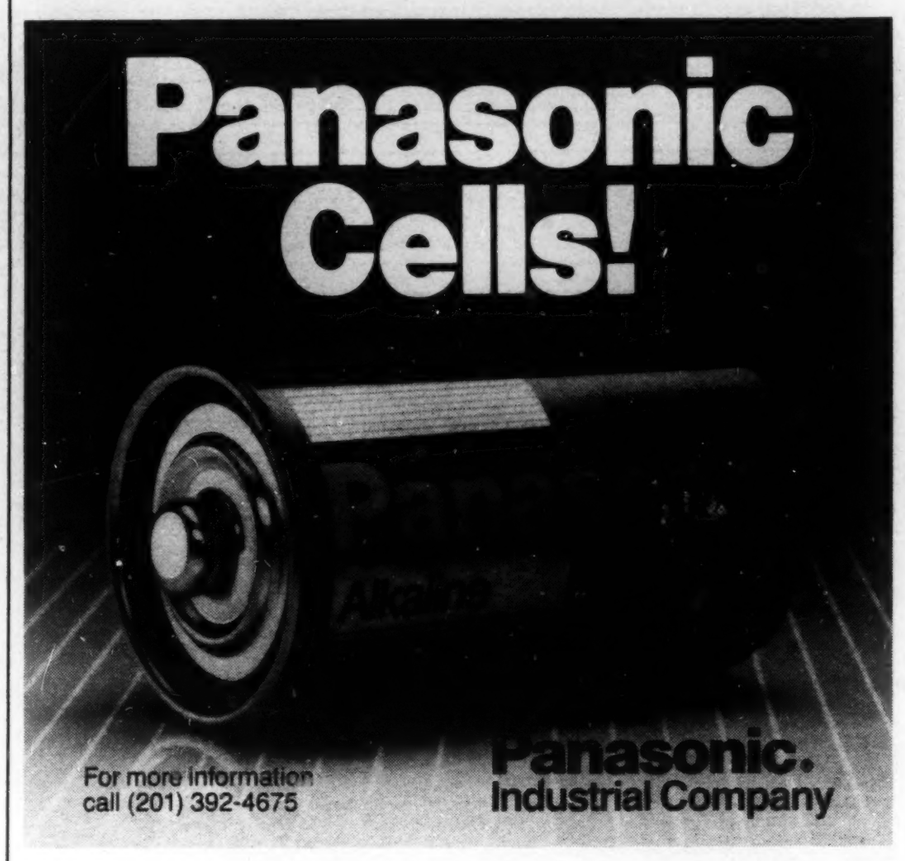
The JeansScreen also accounted for some $3,000 per square foot annualized, a figure sure to warm the frostiest retailer's heart. The catch, MacDonald said, is that it has to do that much to make it worth the time and trouble. "We're a department store," he said, "and we had major problems in accounting for inventory that never actually came into the store. We had to go to manual tracking."

That, in turn, led to another problem—exposure to possible shrinkage. "That's the big no-no in retailing. We can't take a chance on creating a hole in our system," he said.

Other problems, according to MacDonald, included customer complaints to The Broadway about Levi's shipping, which made the chain look bad, and a sharp decline in sales, as saleshelp originally trained on the system were promoted or resigned.

Overall, MacDonald said that interactive video seems to have a place in the department store business as an information-giving device, not as a transactional system.

Other developments at Electronic Shopping '88 included an announcement that ByVideo, which last year developed 20 interactive kiosks for cataloger Best Products, will be introducing an interactive kiosk system in PACE warehouse clubs on a test basis. ByVideo also developed the kiosks Sears introduced to eight of its home lighting departments this month.



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Ames' new prototype accents fashion presentation, with the addition of carpeting and focal walls to apparel areas, and clothing divided into tops and bottoms to emphasize depth. (DSN photo)

New Ames Prototype Accents Productivity

By Peter Hisey

WINSTED, Conn. — Ames Department Stores unveiled its new low-cost prototype format, slated to be utilized in up to [illegible] stores by 1990, last month in this tiny northwestern Connecticut town. The operative word for the new store is "functional." Although carpeting has been added to apparel departments and focal walls are prevalent, the remodeled unit retains a

(Continued on page 174)

Harts Tests Hyper-Marketing With Rollout of Big Bear Plus

By Mary Ellen Kelly

WINTERSVILLE, Ohio — Big Bear Inc., parent of Harts discount stores, took a big step toward hypermarket retailing last month when it opened two combination food and general merchandise stores called Big Bear Plus here and in Bridgeport, Ohio.

The next step toward a finished prototype will be a third Big Bear Plus store, scheduled to open in Wapakoneta, Ohio, this fall. At 75,000 square feet, the Wapakoneta store will be considerably smaller than the 140,000-square-foot and 100,000-square-foot units just opened.

However, the Wapakoneta store will be equipped with new fixtures and signage, only portions of which are now in the Bridgeport and Wintersville stores. The latter two stores will conform to the prototype within the next year.

"The only defense against a hypermarket is another hypermarket," said David Godfrey, Harts vice president and general manager during an interview at the Plus store opening in Wintersville. Hypermarkets appear to be the new trend in retailing, he explained, and since Big Bear

(Continued on page 172)

Discounter Harts and its parent, Big Bear supermarkets, opened their first combination general merchandise and food stores, Big Bear Plus, in Wintersville and Bridgeport, Ohio. (DSN photo)

Top 100 Discounters Post 15% Sales Gain

Nationwide DSN Report

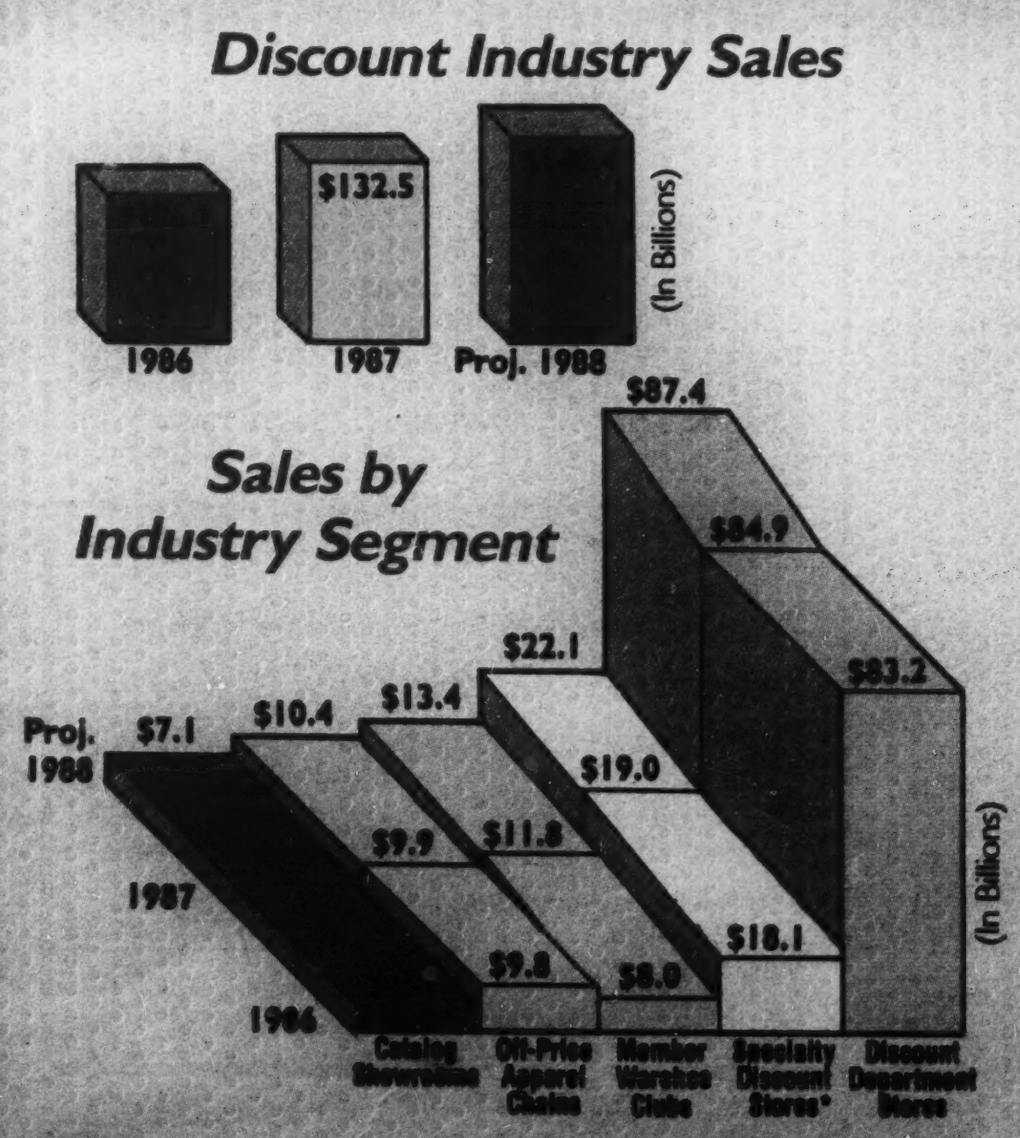
The Top 100 discount retailers increased their sales 14.9 percent to nearly $109 billion in 1987, accounting for about 82 percent of total discount industry volume last year.

The total discount industry—including discount department stores, catalog showrooms, membership warehouse clubs, off-price apparel chains and specialty discounters—is projected to register a 6 percent sales gain to $140.4 billion this year, according to *DSN*.

Data collected by *DSN* revealed:

- The Top 100 powerhouse chains last year added 838 stores for a total of 20,608, a gain of 4.2 percent.
- The Top 100 discounters control more than 650 million square feet of retail space in the United States.
- Specialty chains will experience the highest dollar and percentage growth of any segment—a 16.8 percent jump to $22.1 billion in sales.
- Warehouse clubs are the second-fastest growing segment, projected to top $18 billion by year-end.
- Sales grew by 2.9 percent in the discount department store segment, but large chains like Wal-Mart and Target outpaced industry growth by a wide margin.

Part II: Merchandising Analysis will appear in *DSN*'s July 18 issue.



**Specialty discount stores include: toy chains, CE chains, sporting goods chains, automotive chains and other specialty discounters.*

Source: DSN research

Wal-Mart to Test Home Computers

Seeks to Boost Home Office

BENTONVILLE, Ark. — Wal-Mart is testing a low-end Tandy computer in about 50 of its more rural Sunbelt stores, a Tandy spokesman announced. The test was initiated in early June and will run several months, and is being conducted in "secluded area" stores in Texas, Louisiana, Arkansas and possibly Mississipi, the spokesman said.

The retailer is reportedly also planning to test more sophisticated computer systems from Blue Chip and two other manufacturers during the back-to-school season, according to Blue Chip president John Rossi. That test will probably involve fewer but more urban stores, reportedly 10 of Wal-Mart's 110 "collegiate" stores located in or in close proximity to major college towns. Whether the test will involve all three computers at 10 stores, or will place each in 10 different stores each is unclear.

Tandy's 1000 SX, modified for Wal-Mart (a second floppy disk drive has been added to the basic package that Tandy sells through its Radio Shack stores), will receive a lot of exposure over the next few months in markets never reached by Radio Shack. The 50 stores were chosen by Wal-Mart with the provision that they not compete with Radio Shack. "This will give us more market penetration," the Tandy spokesman said. "This should work out very well for both of us."

(Continued on page 174)

IMRA '88: Convention Coverage from Nashville

Discounters Favored For Microwave Cookware

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MARKETWATCH

United Liquidates Hard Lines Inventories

HOUSTON — United Jewelers & Distributors, which filed a Chapter 11 plan last month, expects to liquidate its jewelry and hard lines specialty store business by fall, paying back about 25 cents on the dollar to holders of about $36 million in claims. The Chapter 11 plan, filed in the U.S. Bankruptcy Court for the Southern District of Texas, Houston Division, said the company planned to liquidate its inventories, worth an estimated $16 million, raising $5 million to $7 million from the sale of merchandise, fixtures and equipment. United, which had 54 stores at the start of the year, currently operates one unit in New Orleans and five in Houston. The largest unsecured claim is for $26 million from Gordon Jewelry, which had sold United's assets in March 1987 to BCS Holdings, which was formed specifically to buy the former catalog showroom chain.

Price Club Updates Expansion Plans

SAN DIEGO — Price Club has announced updated expansion and relocation plans for the remainder of this year and early 1989. The company will open a Glendale, Ariz., warehouse this August as scheduled, but summer openings for sites in Corona, Calif., and Hampton, Va., have been postponed until fall, and one in Babylon, N.Y., will now open this winter instead of this fall. At the same time, the 38-unit chain announced net earnings grew 26.6 percent to $18.7 million on a sales increase of 27.5 percent to $942 million for the third quarter ended June 5, 1988. Comparable warehouse sales rose 4.51 percent. In the first nine months, sales totaled $3.07 billion vs. $2.45 billion in the same period last year, while net income for the 40 weeks was at $70.7 million vs. $54.2 million last year.

Rebounding Ross Set to Open Six Stores

NEWARK, Calif. — With its financial position improving, off-pricer Ross Stores, based here, is set to open six new stores this summer. In keeping with a slowed growth posture adopted last year that emphasizes current markets, the new stores will all be in existing Ross territory. Four stores are slated for California—in Orangevale, Clovis, Santa Maria and Lancaster—while one will be in Plantation, Fla., and another in Fairfax, Va. The stores will open by the beginning of August and will be backed by chainwide advertising.

The Wholesale Club Plans Stock Buyback

INDIANAPOLIS, Ind. — The Wholesale Club plans to buy back on the open market $250,000 worth of its common stock (or about 1 percent of its outstanding shares). The company said its shares at current market prices (of around $6) "is an attractive investment" and the stock would be used for general corporate purposes, including contributions to the employee profit sharing plan and exercise of stock options.

Teleshopping Gains Status at Ad Group

NEW YORK — The Cabletelevision Advertising Bureau has recognized teleshopping as an integral part of the industry by listing six video retailing services in its "Cable TV Facts '88" booklet. The six shopping services listed in the directory section are CVN, The Fashion Channel, TelShop, Home Shopping Network, QVC and Telaction.

Evans Adds Third Store This Year

ROCKVILLE, Md. — Evans Distributors and Jewelers will open a 40,000-square-foot showroom in the Tysons Corner, Va., suburb of Washington this fall to hit a total of nine units, a 33 percent increase in its store count this year. The cataloger previously unveiled similar stores in Herndon and Dale City, Va. Evans will be in the Pike 7 Plaza in Tysons Corner, a market that is already home to Best Products and W. Bell showrooms.

Save-Rite Unveils Its Seventh Showroom

WOONSOCKET, R.I. — Save-Rite will open a 22,000-square-foot showroom, its seventh unit, this fall in the K mart shopping center in Rayham, Mass. The cataloger this spring opened a similar store in the K mart center in Milford, Mass.

Dress Barn Inks Deal with Shoe Chain

STAMFORD, Conn. — Dress Barn, the woman's off-pricer based here, is seeking to expand its retail base by launching leased apparel departments in 22 Carnival stores during the next three months. Dress Barn, which currently operates 325 units, has reached an agreement with Carnival, the Evansville, Ind.-based off-price women's shoe retailer, that will have Dress Barn operating a 4,000-square-foot area in each of the 22 units. The leased areas will offer the same products and selection as Dress Barn units, which also average 4,000 square feet.

Fred Meyer Enters Northern Calif. With Freestanding Jewelry Store

By Pamela Krein

PORTLAND, Ore. — Fred Meyer will make its first entry into California this August with the opening of a fine jewelry store in a new regional mall in Chico.

The announcement was made last month at the retailer's annual shareholders meeting by chairman and chief executive officer Frederick Stevens.

Fred Meyer's entry into Northern California has been rumored for some time. Area retailers had told *DSN* that the superstore operator was looking for sites for its huge food/apparel/general merchandise stores that measure up to 200,000 square feet.

Instead, Fred Meyer will use its fine jewelry store arm to make its splash in the Golden State. While the chain may still be looking for large sites, the summer opening of its 1,500-square-foot fine jewelry store will give Fred Meyer its first presence in the state. A second jewelry store is expected to open sometime this fall in Eureka, Calif.

Fred Meyer's unique vertical structure—whereby each of its up to 11 departments operates individually as a profit center—has allowed the chain to branch out a given category on a freestanding basis.

Continuing this entrepreneurial atmosphere is one of Stevens' priorities: "Fred Meyer will continue to be in the forefront of retail development whether it be in the Pacific Northwest or the United States."

Fred Meyer will make its long-awaited entry into the Northern California market by opening a jewelry store, rather than a full-line superstore, in Chico in the Sacramento Valley. (DSN photo)

Stevens, formerly executive vice president of specialty retailing at K mart, debunked Fred Meyer's "unfounded" reputation as a cautious and slow-moving retail giant. He said the chain intends to open two large multi-department stores and at least seven specialty stores this year, and is currently in the midst of its most ambitious remodeling rate for existing stores.

To support this expansion, Stevens said the real estate and construction staff has been increased, and a strategic marketing group has been appointed to improve profitability and coordination of departments and divisions.

Stevens also discussed Fred Meyer's competition. Although Stevens did not specify any one retailer, Fred Meyer's territory is being invaded by Target this month and ShopKo in the fall.

Stevens conceded that every retailer is effected when a new player comes to town and blitzes the market with advertising, however, he said past results have shown that Fred Meyer usually wins back any lost customers and gains new shoppers as well because of its one-stop shopping appr[illegible]

Stevens left K mart in [illegible] to join 100-store Fred Me[illegible], replacing Oran Robertson, who retired from day-to-day duties, but remains chairman of the executive committee.

American Wholesale Files Suit, Chap. 11

RICHARDSON, Tex. — American Wholesale Club, the two-year-old membership warehouse chain based here, filed suit on June 24 in the U.S. District Court for the Northern District of Texas against Wal-Mart Stores and its Sam's Wholesale Club, and announced it will undergo Chapter 11 reorganization.

American's suit alleges antitrust violations and slander claims against Sam's and seeks actual and exemplary damages in excess of $90 million. Jeffrey Zisk, chairman, said the action is based upon damages resulting from two years of alleged anti-competitive activities by Wal-Mart.

Specifically cited in the suit is reference to a public address announcement allegedly made on April 22 in a Plano, Texas, Sam's that falsely said American had gone bankrupt, creating adverse reactions from customers and suppliers of American, which operates a unit within a mile of the Sam's.

Wal-Mart declined to comment on the suit. American's two clubs in the Dallas area will remain open for business during the reorganization.

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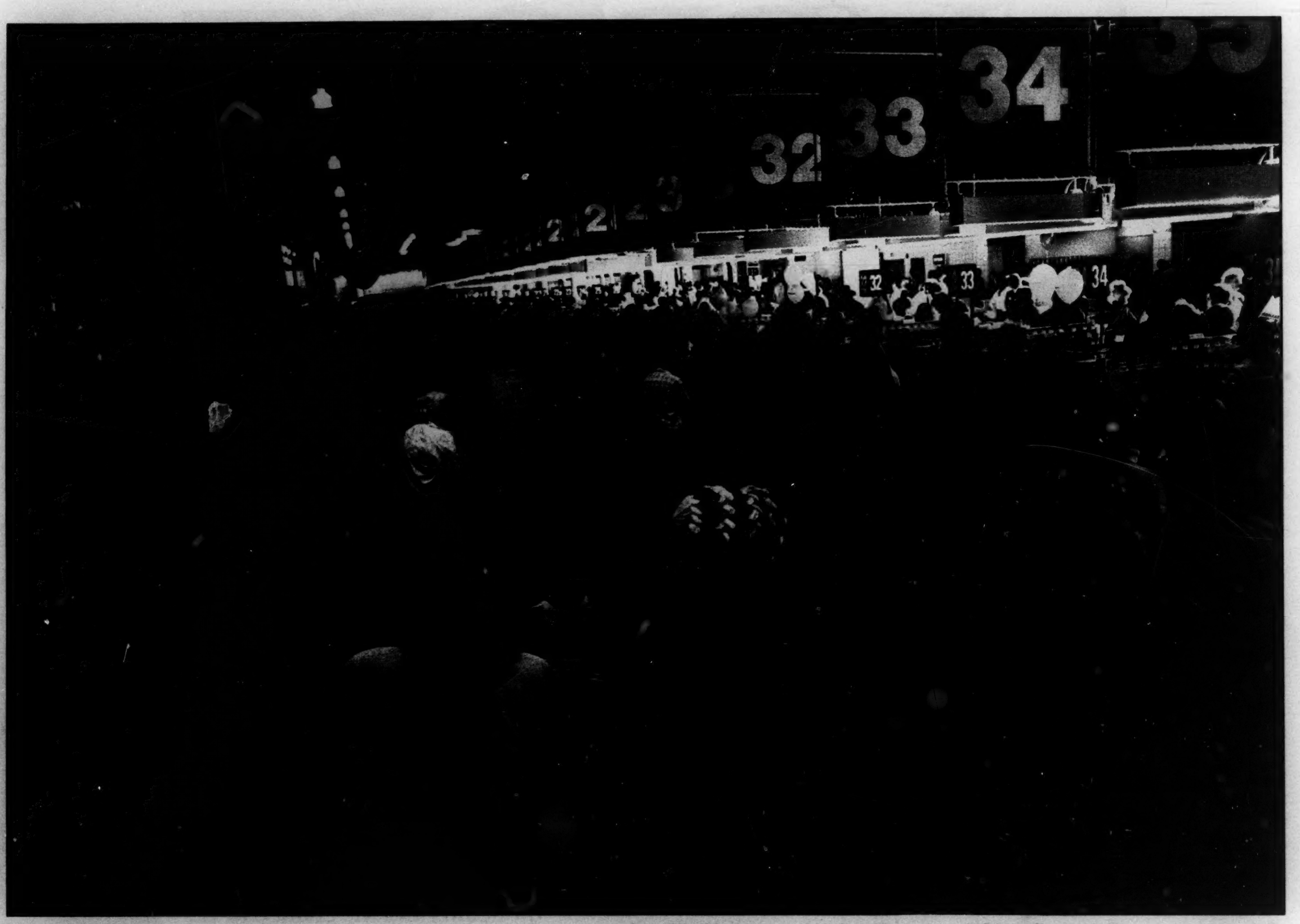
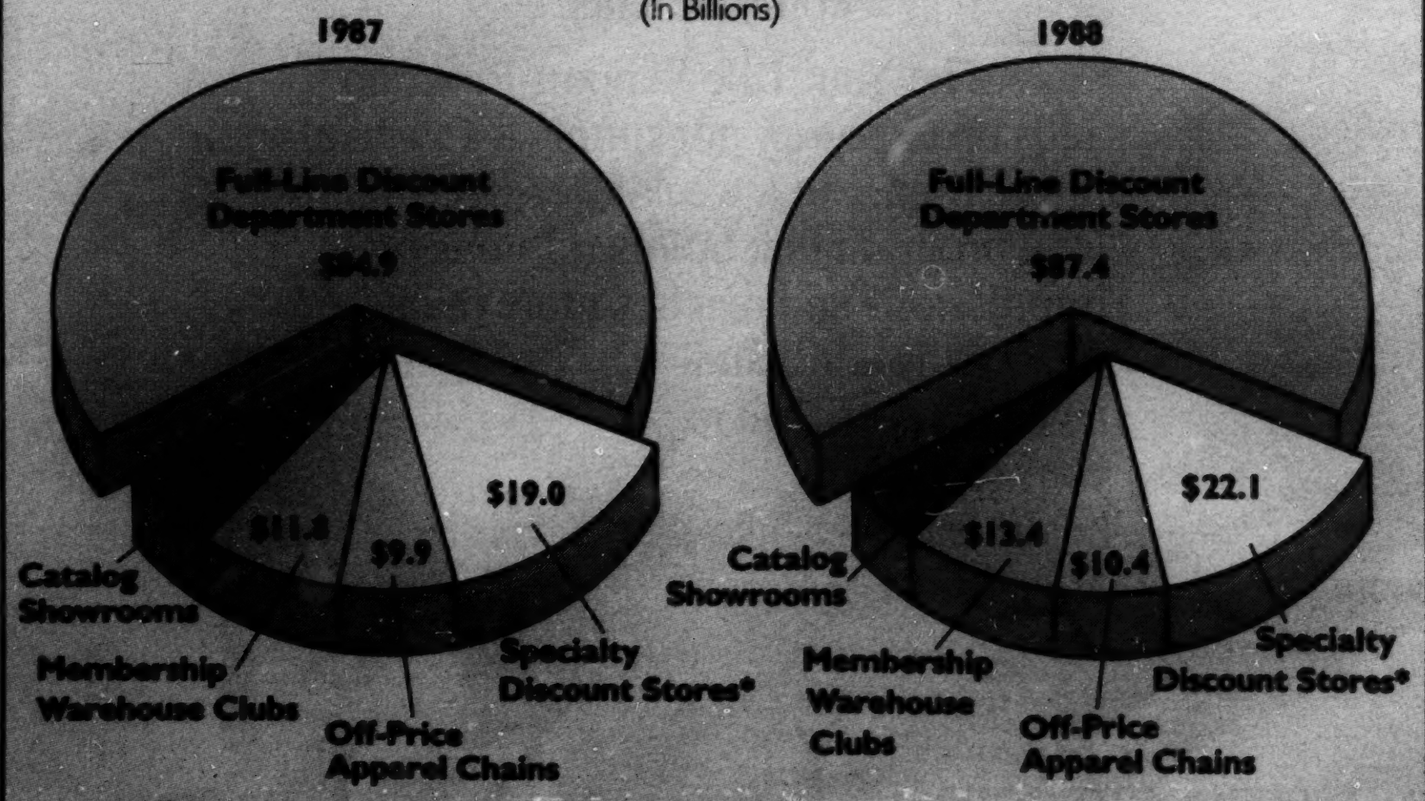
Annual Industry Report

'88 Discount Sales to Top $140 Billion



The biggest news in discount retailing last year occurred in late December when Wal-Mart opened its first Hypermart USA in Garland, Texas. (DSN photo)

Discount Industry Segment Sales



Discounters will ring up $140.4 billion in sales this year, almost a 6 percent increase over 1987.

Specialty retailing includes: toy chains, CE chains, sporting goods chains, automotive chains and other specialty discounters— tationery/home office megastores ($400 million), deep discount drug stores ($2.0 billion), etc.

DSN's Annual Discount Industry Report

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Part II: Merchandising Analysis

Coming in the July 18 issue of DSN

Specialty Segments, Clubs Boost Discount Sales

By Kenneth M. Chanko
Nationwide DSN Report

Spurred by robust sales increases in most distribution segments and explosive double-digit sales jumps at specialty chains and membership warehouse clubs, discounters will top $140 billion in sales for the first time in 1988.

The discount industry as a whole will record a just-under 6 percent increase to $140.4 billion by year-end, and the full-line discount department store, still the dominant segment, will increase by 2.9 percent, according to *DSN*'s Annual Report on the Discount Industry.

This year's *DSN* annual state-of-the-industry report compiles 1987 sales and earnings (where available) figures on the top 100 discounters in the country, projects total 1988 industry sales by segment and merchandise category and profiles the top 20 chains. This year, however, *DSN* also provides expanded coverage on the nation's fastest-growing chains, as well as first-time census roundups of the deep discount drug, home shopping and hypermarket distribution segments. Also included this year is a comprehensive rundown of all major industry mergers and acquisitions over the last 18 months, along with the top management moves during the same period.

This year's survey reveals that specialty discount stores will experience the highest dollar and percentage growth of any segment—a 16.3 percent jump, or a $3.1 billion increase, to $22.1 billion in sales this year. Warehouse clubs are the second fastest growing segment, projected to top $13 billion in sales by year-end with a 13.6 percent sales increase. Catalog showroom sales will inch ahead by 2.9 percent—the slowest percentage growth of any segment—to $7.1 billion. And off-price apparel chain sales will grow by 5.1 percent, topping $10 billion in sales for the first time.

In 1988, general merchandise discount stores will account for 62.3 percent of the discount industry's total sales volume. Last year, full-line discounters represented 64.1 percent of total business. And the year before that, in 1986, discount department stores had a 66 percent share of the total discount universe.

This share-of-pie drop for the general merchandise discount store is reflected in *DSN*'s top percentage-sales-growth-by-chain and top dollar-sales-growth-by-chain charts. In the former, there were no general merchandise discount store chains in the top 10, and only one in the top 20. In the dollar sales growth chart, just three of the top 10 were full-line discounters (last year there were five in the top 10). Of the 40 general merchandise discounters in this year's top 100 chart, 20 of them dropped in ranking.

Highlights of the top 100 chart also include:

- Sam's and Meijer broke into the top 10 for the first time (Meijer mostly because the discounter's grocery sales from its hypermarket-type stores were included this year);
- Bradlees dropped out of the top 10 (and is likely to fall further if announced cutbacks are carried out);
- Venture fell from the top 20;
- The big ranking gainers (a 10-notch jump or more, not including chains that showed gains because of major acquisitions or the recent inclusion of food sales in results) were The Wholesale Club (90th to 69th), Warehouse Club (91st to 77th) and Sportmart (98th to 81st);
- The big losers (same qualifications as above) were OTASCO (55th to 68th), Consumers Distributing (U.S.) (52nd to 65th), S.E. Nichols (54th to 64th), Crazy Eddie (48th to 60th) and Heck's (33rd to 48th).

Hypermarkets, Mergers Top Newsmakers

Nationwide DSN Report

The debut of hypermarket discounting, merger mania among the nation's top retailers and the relatively quick recovery of most discounters from the October stock market plunge were among the top industry news stories over the past 18 months.

Wal-Mart opened two Hypermart USAs recently (*DSN*, Jan. 18, 1988, and Feb. 15, 1988); Carrefour opened its first in the United States (*DSN*, Feb. 15, 1988); and K mart announced its first hypermarket opening for later this year (April 25, 1988). For more on hypermarkets, see page 124.

The biggest merger/acquisition/LBO news was Campeau's purchase of Federated, which owns Gold Circle (the chain's future is clouded; *DSN*, March 14, 1988) as well as other specialty discount chains. Also, Bradlees went private (it will lose 58 units ; *DSN*, June 20, 1988) and K mart acquired Makro (*DSN*, March 14, 1988). For more on acquisitions, mergers and LBOs, see page 47.

Discount stocks plunged 29.2 percent for the two weeks ended Oct. 23, 1987, which encompassed Black Monday, Oct. 19. However, the discount industry recovered nicely from the plunge. In September before the market crash, the *DSN* index stood at 1,668.48. It dropped to 1,149.10 by the end of October. However, by early March the index had rebounded to 1,322.30. As of early June, the index stood at 1,344.91.

Briefly, the other major news stories of the past 18 months included:

- Sam Walton's eventual successor at Wal-Mart came into focus when David Glass was promoted to chief executive officer of the fast-expanding discounter (*DSN*, Feb. 15, 1988);
- K mart, in addition to acquiring a warehouse club chain and announcing its hypermarket entry, further diversified by announcing a specialty sporting goods warehouse (*DSN*, Feb. 1, 1988) and a home office specialty operation (*DSN*, March 28, 1988);
- Wal-Mart, in addition to opening two hypermarkets, also weighed in with its SuperCenter store, another general merchandise and supermarket hybrid (*DSN*, March 14, 1988);
- Store environment upscaling continued in a big way, especially in the apparel departments of the full-line discounters and among the off-price apparel chains. Several one-price apparel chains opened their first units and others continued to expand (*DSN*, March 14, 1988);
- Catalogers rebounded, led by the turnarounds of Service Merchandise and Best Products.

Top Discount Execs Play Musical Chairs in Changing Market

By Donald Longo
Nationwide DSN Report

Mergers, acquisitions, restructurings, retirements, and even deaths combined to cause substantial turnover in the executive suites of many of the nation's largest discount retailers.

In the past 18 months, the discount industry has been saddened by the deaths of such industry stalwarts as Herbert "Hank" Goldberger, founder of Hills Department Stores, Max Feldberg, co-founder of Zayre Corp., and Stanley Seidman, president of cataloger chain Consumers Distributing (U.S.).

1987 also marked the exit by retirement of such industry luminaries as Harold Frank, Bradlees chairman and chief executive officer; Bernard Fauber, K mart's chairman; Oren Robertson, chairman of Fred Meyer; Malcolm Sherman, chairman of Zayre Stores; Herb Gilman, chairman of Ames Department Stores; and George Seedman, who retired and sold the TSS-Seedman's chain he founded in the early 1920s.

Other top industry executives like Jack Shewmaker, former vice chairman and chief financial officer of Wal-Mart and Raymond Wysocki, formerly vice president, general merchandise manager at Zayre Stores, resigned their posts before or after major restructuring by their firms.

And, that doesn't count the thousands of middle level retail executives and managers laid off during a year of stepped up merger and acquisition activity.

One chain afflicted with the M&A fever was Bradlees, the Braintree, Mass.-based discount store division of Stop & Shop. About 7,500 jobs will be eliminated when the discounter sells off its 58-store Southern region to pay off some of the $1.4 billion debt incurred when its parent went private to fend off a hostile takeover attempt.

The job of president, vacated in July 1986 by Harry Kohn, who went to Stuart's Department Stores, remained open at Bradlees throughout 1987. But the position was filled before the end of fiscal 1988 by George Granoff, formerly Bradlees' executive vice president.

In April when Bradlees chairman and ceo Harold Frank retired, Carol R. Goldberg, president and chief operating officer of Stop & Shop, assumed Frank's responsibilites in addition to her own.

At the nation's largest discounter, K mart, Joseph Antonini, president and ceo, succeeded chairman Fauber, who retired. Fauber remained with K mart as a member of the company's board of directors and as chairman of K mart's executive committee.

Earlier this year K mart split its $3.4 billion specialty retailing division into three separate entities after Frederick Stevens, executive vp, specialty retailing, suddenly resigned to head Fred Meyer, the Portland, Ore., superstore operator.

Stevens was replaced by Larry Parkin, formerly executive vp for U.S. K mart stores, now executive vp for warehouse and grocery operations, a new position. Parkin is overseeing the development of the American Fare hypermarket, scheduled to open in the Atlanta area late this year, Makro membership warehouse clubs, Builders Square home center warehouses, and two new specialty concepts: Office Depot and Sports Giant.

Hills was another chain to get a new chairman. Stephen Goldberger, president and chief operating officer, succeeded his father as chairman of the board on Feb. 1, 1988.

Wal-Mart named David Glass, formerly the company's president, as chief executive officer early in 1988. Although the company denied that any competition was involved, Shewmaker, who many felt was a candidate as Sam Walton's heir, resigned his positions at the same time. Shewmaker has remained with the company as a consultant.

When May Co. acquired Caldor in 1986, it raided Venture's executive suite to overhaul Caldor. It brought in Venture chairman Don Clarke to become chairman and ceo of Caldor and shifted Marc I. Balmuth from executive vice president, Venture, to president, Caldor.

In addition, it made Venture's store operations chief, Michael R. Lynch, Caldor's new vp and director of stores. May also brought in from various department store divisions three other vice presidents: John Cook, cfo; Elliott Kerbis, gmm, hard lines; and James D. Lee, gmm, soft lines.

From an executive standpoint, Caldor is benefiting from the turmoil at Gold Circle. Once part of Federated Stores, Gold Circle is now one of numerous divisions that

(Continued on page 47)

Annual Industry Report Methodology

NEW YORK — *Discount Store News*' Annual State of the Industry Report—Part I was compiled from company annual reports, securities filings and phone calls to more than 125 of the nation's leading discount retailers.

In nearly all cases, sales figures represent total store volume, including general merchandise, apparel and groceries. Sales and unit count figures for K mart, Wal-Mart and Zayre represent discount stores only, excluding specialty divisions.

In order to present the most accurate picture possible of each retail chain's operating results, earnings figures used in this section represent profit or loss from continuing operations, before income taxes and extraordinary items. Only when that information was not available were net earnings figures used.

This year, for the first time, companies on *DSN*'s Top 100 ranking are classified by type of retailer, according to the following code:

- DDS: Discount department store;
- CAT: Catalog showroom;
- SPORT: Sporting goods specialty;
- AUTO: Auto aftermarket specialty;
- TOY: Toy specialty chain;
- APP: Off-price apparel chain;
- CE: Consumer electronics chain;
- CLUB: Membership warehouse;
- DOLLAR: Dollar variety chain;
- DRUG: Drug discounter.

Part II—Merchandising Analysis of *DSN's* Annual State of the Industry Report will be featured in the July 18 issue of *Discount Store News*. In addition to an in-depth review of discount department store volume, turns and margins in 13 product categories, the special report will contain reports on discount store penetration by state and rankings of the leading discounters based on several measures of productivity.